



MENARD ELECTRIC COOPERATIVE

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RIDER NB

NET BILLING FOR MEMBER-GENERATION

PURPOSE:

The purpose of Rider NB is to provide an incentive for members generating electric energy from an eligible small distributed generation (Small DG) facility, as defined herein, and to provide for the purchase of energy produced in excess of the members' electrical consumption, while honoring the Cooperative's obligation to provide electricity to all members on a Cooperative basis as required by the Illinois Not-For-Profit Act and Internal Revenue Code Section 501(c)(12) and complying with the Cooperative's wholesale power contract obligations with Prairie Power, Inc. (PPI), PPI's Policy #510 (Small Distributed Generation Facilities Incentive), and PPI's Policy #504 (Net Metering and Delivery of Excess Member-Generated Electricity).

AVAILABILITY:

Net Billing (Rider NB) is available to an Eligible Member who owns and connects a Small DG facility to the member's low-voltage electric premises wiring associated with a single specified service metering point.

DEFINITIONS:

To the extent the following terms are used in this policy, the following definitions shall apply. To the extent that the same term is used in this policy and PPI's Policy #510, the definition of such term contained in PPI's Policy #510 shall control in the event of a conflict between the definitions.

-BILLING PERIOD

Billing Period means the period of time over which the Cooperative bills a member for electric energy consumed during that time and for other applicable charges from the Cooperative.

-ELIGIBLE MEMBER

Eligible Member means a cooperative member in good standing that owns and operates a Small DG facility located at and associated with the member's single specified service metering point.

-ELIGIBLE RENEWABLE ELECTRICAL GENERATING FACILITY (EREGF)

An Eligible Renewable Electrical Generating Facility means one or more generator(s) owned by an Eligible Member and located at and associated with the member's specified service metering point, where such generator(s) are powered by solar electric energy, wind, dedicated crops grown for electricity generation, agricultural residues, untreated wood waste and unadulterated wood waste, landscape trimmings, livestock manure, anaerobic digestion of livestock or food processing waste, fuel cells or microturbines power by renewable fuels, or hydroelectric energy.

-NAMEPLATE RATING

Nameplate Rating means the maximum electric energy production capability of resource(s) located at and associated with a single specified service metering point, as stated in terms of alternate current (AC) kilowatts after any power inverter device(s).

-NET METERING POLICY

The Net Metering Policy refers to the Net Metering and Cooperative Credit for Excess Member-Generated Electric Energy Policy #IV.47, as approved by the Cooperative Board of Directors from time to time.

-PRAIRIE POWER, INC. (PPI)

Prairie Power, Inc. or PPI means Prairie Power, Inc., an Illinois not-for-profit corporation, or its successors in interest, which is an electric generation and transmission cooperative of which the Cooperative is a member and from which the Cooperative obtains its supply of electricity in accordance with a wholesale power contract.

-SMALL DISTRIBUTED GENERATION FACILITY (SMALL DG)

Small Distributed Generation Facility or Small DG means one or more electricity production resource(s) which meet all of the following criteria: (i) owned by a Cooperative member, (ii) located in the retail service area of the Cooperative, (iii) connected to and operating on the Cooperative member's low-voltage electric premises wiring associated with a single specified service metering point, (iv) such resource(s) produce electric energy using biomass, waste, renewable resource(s) including wind, solar energy and water, and (v) the total combined Nameplate Rating for such resource(s) at the single specified service metering point is less than or equal to 100 kilowatts, and (vi) such resource(s) are intended primarily to offset the member's own electrical energy requirements, as determined by a calculation performed at the time of interconnection application to ensure the total combined Nameplate Rating for such resource(s) shall offset no more than 110% of the Eligible Member's actual load over the most recent 12 months, however if 12 months of actual data is not available, the estimated average amount of load used by similar members during the same 12-month period will be utilized, and (vii) such resource(s) are not taking service pursuant to Rider NM or in accordance with Cooperative Policy #IV.49 for Interconnection of and Service to Qualifying Facilities under PURPA.

RIDER NB PROVISIONS

APPLICATION FOR SERVICE:

Applications for service under this Rider NB can be made by contacting the Cooperative or by assessing the information on the Cooperative's website at www.menard.com. Further, this Rider NB applies irrespectively to an Eligible Member who owns and operates an EREGF taking service in accordance with the Net Metering Policy when the availability of net electricity metering has been discontinued.

INTERCONNECTION:

An Eligible Member must comply with the provisions of the Cooperative's policy on Interconnection and Parallel Operation of Distributed Generation, as it relates to the connection of a Small DG facility to, and the operation of such Small DG on, the member's low-voltage electric premises wiring.

METERING:

The Cooperative's retail service meter serving the Eligible Member's single specified service metering point where the Small DG facility is located shall remain in place and be capable of measuring, aggregating and retaining the flow of electricity both into and out of the metering point on a clock-hour basis. If the existing retail service meter serving the Eligible Member's single specified service metering point is not capable of meeting this requirement, or if the member requests an additional meter, the cost of installing and maintaining such meter shall be paid by the member. The Cooperative, in its sole discretion and at the expense of the Eligible Member, may install a meter between the Small DG facility and the Eligible Member's single specified service metering point for purposes of assuring compliance with Rider NB in relation to the Nameplate Rating of the Small DG facility.

SMALL DG LOCATION:

Energy produced at a location other than the single specified service metering point where the Small DG facility is connected and operating shall not qualify for the incentive available in accordance with this Rider NB.

BILLING METHODOLOGY:

The Cooperative shall measure, charge and credit the Eligible Member for the electric energy respectively delivered to and received from the single specified service metering point as follows:

- The Cooperative will charge the Eligible Member for the aggregated electric energy delivered to and used by the member during the Billing Period as reflected by the Delivered retail service meter register. The rate for delivered energy charges shall be in accordance with the Rate Code of the Eligible Member.
- The Cooperative will calculate and apply a bill credit for the value of aggregated electric energy, capacity and avoided losses received from the Eligible Member during the Billing Period as reflected by the Received retail service meter register. The incentive rate for such credits shall be in accordance with the Energy Charge Rate and the On-Peak Energy Charge Rate stipulated in the wholesale power contract and shall include a capacity component and a losses component. Each determinant shall be established annually by PPI and be effective each calendar year on January 1st. More specifically, the rate for received energy shall be:

$$\frac{(5 \times \text{PPI's On-Peak Energy Charge Rate}) + (2 \times \text{PPI's Energy Charge Rate})}{7} + \frac{\text{Capacity Component}}{\text{Capacity Component}} + \frac{\text{Losses Component}}{\text{Losses Component}}$$

- In the event the single specified service meter registers a flow of excess electric energy out of the metering point in an amount greater than 100 kilowatt-hours during any clock-hour in the Billing Period, the volume of excess electric energy incorporated into the aggregated service meter register calculation for the Billing Period shall be 100 kilowatt-hours for that clock-hour, rather than a greater amount.
- Any credit from Rider NB derived from the aggregated flow of excess electric energy received from the Eligible Member during a Billing Period shall be applied to: (a) all

charges associated with electric energy delivered to the member during the same Billing Period, including delivered energy charges, demand charges, power adjustment charges, taxes and fees, and (b) other charges applied to the Eligible Member under any Cooperative policies, Bylaws, rules, regulations, or rates, that are not based on a unitized charge per kilowatt-hour, including, but not limited to basic service charges, lighting charges and facility charges.

SMALL DG UPGRADES:

Any upgrades or modifications to the installed Small DG facility which cause the total combined Nameplate Rating for such resource(s) at the single specified service metering point to be more than 100 kilowatts shall disqualify the member as an Eligible Member for Net Billing under Rider NB.

ELIGIBLE MEMBER ENERGY CONSUMPTION REVISIONS:

Any actual energy consumption revision experienced by the Eligible Member over the most recent 12-month period which cause the total combined Nameplate Rating for such resource(s) to offset more than 110% of the member's actual load over the same 12-month period shall disqualify the member as an Eligible Member for Net Billing under Rider NB unless such Eligible Member previously owned and operated an EREGF taking service in accordance with the Net Metering Policy.

MISCELLANEOUS:

- All renewable energy credits, greenhouse gas emission credits and renewable energy attributes related to any electricity produced by the Eligible Member's Small DG facility shall be treated as owned by the Eligible Member.
- The Cooperative shall make available Net Billing to Eligible Members until December 31, 2030, unless terminated earlier due to actions taken by PPI. On or before December 31, 2029, the Cooperative shall revisit this Rider NB to decide whether to extend, modify, or allow it to expire.
- This Rider NB is subject to all federal, state and local laws, Menard Electric Cooperative's Articles of Incorporation, By-Laws and existing policies and the terms and conditions of the Cooperative's existing wholesale power contract with PPI and loan agreements.

Adopted by the Board of Directors 04/25/2023 (Effective 08/01/2023 BILLING)

Revision approved by the Board of Directors 11/26/2024 (Effective 01/01/2025)

Revision approved by the Board of Directors 12/19/2025 (Effective 02/01/2026 BILLING)